

Message Text

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ACTION AF-04

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FM AMEMBASSY ABIDJAN

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C O N F I D E N T I A L ABIDJAN 6296

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NOFORN

EYES ONLY JAMES BLAKE, AF, FROM AMBASSADOR

E.O. 11652: GDS

TAGS: IV, EAD

SUBJECT: FAA SECTION 620(A)(3)(B)

REF: (A) ABIDJAN 6054 (B) BISHOP-SMITH LETTER OF JULY 11

1. REF (B) CROSSED REFTTEL (A) AND I UTILIZED SUGGESTION THEREIN DURING HERRIEDLY ARRANGED APPOINTMENT YESTERDAY WITH FOREIGN MINISTER USHER ON OTHER MATTERS (SEPTTEL).

2. I INFORMED USHER OF SUBSTANCE OF FAA SECTION 620(A)(3)(B) AND OF OUR INFORMATION, CONFIRMED BY IVORIAN SHIPPING LINE, SITRAM, THAN AN IVORIAN REGISTRY SHIP HAD TAKEN ON \$60,000 OF CIGARS AND SUGAR FROM CUBA IN SEPTEMBER 1974 FOR DELIVERY TO IVORY COAST. I EXPLAINED THAT, UNLESS WE COULD HAVE AN ASSURANCE THAT THIS WAS A UNIQUE CASE AND THAT IVORIAN POLICY WAS NOT TO SHIP TO OR FROM CUBA, WE MIGHT BE FORCED TO WITHHOLD A.I.D. ASSISTANCE TO IVORY COAST. I MENTIONED NEW ENTENTE ENTERPRISES LOAN, CIRES RESEARCH GRANT AND SELF-HELP FUND.

3. I ALSO CITED WAIVER CLAUSE(SEC. 664) AND SPOKE OF POSSI-
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BILITY THAT U.S. POLICY WOULD BE MODIFIED IF OAS LIFTS CUBAN

SANCTIONS, BUT SAID I HAD NO WAY OF KNOWING HOW LONG EITHER OF THESE COURSES MIGHT TAKE.

4. AT FIRST USHER SEEMED SURPRISED AND ANNOYED. HE SAID THAT THIS LOOKED LIKE "STRINGS" ON U.S. ASSISTANCE, THE KIND OF THING THAT IVORY COAST RESENTS IN OFFERS OF AID FROM OIL-PRODUCING STATES. HE WANTED A FORMAL LETTER, CITING THE LEGISLATION, THE ALLEGED VIOLATION AND THE ACTION REQUIRED. AS WE TALKED FURTHER, HOWEVER, I CONVINCED HIM THAT IT WOULD BE BETTER FOR HIM TO REVIEW THE MATTER FIRST, DETERMINE WHETHER IVORY COAST HAS EVER HAD A POLICY ON THIS, WHETHER SUCH A POLICY IS CALLED FOR AND WHAT MIGHT BE SAID.

5. COMMENT: IT WILL BE ALMOST THREE WEEKS BEFORE WE CAN GET BACK TO USHER ON THIS, SINCE HE DEPARTS THIS WEEKEND FOR KAMPALA. I HOPE DEPARTMENT AND AID CAN GET MORE FLEXIBILITY IN THE INTERVENING TIME. ONE THING TO CONSIDER IS THAT, WHEN FAA WAS PASSED, GOIC HAD NO SHIPS GOING TO LATIN AMERICA AND THUS, AS FAR AS WE KNOW, THERE NEVER WAS AN IVORIAN PRONOUNCEMENT OR ASSURANCE ON CUBAN SHIPPING. THUS, THIS IS PROBABLY THE FIRST TIME THE MATTER HAS EVER BEEN BROUGHT TO THE GOIC'S ATTENTION.

6. REDSO PLANS TO BEGIN LOAN NEGOTIATIONS NEXT WEEK WITH THE ENTENTE FUND(EF) ON THE AFRICAN ENTERPRISES LOAN. WHILE IT APPEARS POSSIBLE THAT LANGUAGE RESPONSIVE TO THE REQUIREMENT IN THE LOAN AUTHORIZATION RELATING TO THE CUBA SHIPPING ISSUE MAY BE DRAFTED SO AS TO BE SEEMINGLY INNOCUOUS, I AM CONCERNED THAT ANY REFERENCE, NO MATTER HOW INNOCUOUS, MAY BRING THE WHOLE ISSUE OUT INTO THE OPEN AND AFFECT SUPPORT WE GET FROM GOIC ON OTHER MATTERS. SUCH A POLITICALLY SENSITIVE ISSUE RELATING TO THE IVORY COAST SHOULD NOT BE DEALT WITH THROUGH THE ENTENTE FUND. THIS WOULD OF COURSE IRRITATE (TO SAY THE LEAST) THE GOIC AND

WOULD BE LIKELY TO HARDEN THEIR POSITION AND MAKE IT MORE DIFFICULT FOR THEM TO GIVE US THE ASSURANCES WE ARE SEEKING WITHOUT APPEARING TO LOSE FACE PUBLICLY. THIS IS PARTICULARLY LIKELY TO BE THE CASE SINCE IT INVOLVES A "DE MINIMUS" INFRACTION ALMOST A YEAR OLD BEING RAISED AT A TIME WHEN U.S. POLICY TOWARD CUBA CLEARLY APPEARS TO BE IN A STATE OF EVOLUTION.

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7. MY PROPOSAL THEREFORE IS THAT YOU SEEK A.I.D. AGREEMENT TO ONE OF THE FOLLOWING OPTIONS:
OPTION A: INTERPRET THE SEPTEMBER SHIPMENT AS A ONE-SHOT OPERATION IN IGNORANCE OF U.S. LEGISLATIVE RESTRICTIONS AND GO AHEAD WITH A.I.D. ASSISTANCE. WE HAVE NOW GONE ON RECORD WITH THE GOIC AS TO THIS RESTRICTION AND, IN THE MEANTIME, U.S. POLICY MAY WELL CHANGE.
OPTION B: CONSIDER THE RIGHT OF A.I.D. APPROVAL OF THE RELOAN

AGREEEMENTS WHICH IS ALREADY IN THE DRAFT AMENDMENT (SEC.10.2.(A)) AS SATISFYING THE REQUIREMENT IN THE LOAN AUTHORIZATION THAT THE AMENDMENT "INCLUDE A PROVISION...WHICH WILL EFFECTIVELY PRECLUDE RELOANS...TO DEVELOPMENT BANKS IN ANY COUNTRY..." IN VIOLATION OF THE CUBA SHIPPING PROVISION. IF A.I.D. AGREES TO THIS, THEN THE LOAN COULD GO FORWARD TO EXECUTION, BUT REDSO WOULD REFUSE TO APPROVE THE RELOAN AGREEMENTS OF THE IVORY COAST BANKS UNTIL THIS MATTER WAS RESOLVED. WE WOULD INFORM THE GOIC PRIVATELY WHY THE RELOANS WERE BEING HELD UP, BUT WOULDN'T HAVE TO INFORM THE EF.

OPTION C: PRESENT THE DRAFT AGREEMENT TO THE EF WITHOUT THE PROVISION REQUIRED BY THE AUTHORIZATION, ON THE UNDERSTANDING THAT PRIOR TO THE EXECUTION A.I.D. WILL PRESENT SUCH PROVISION TO THE EF AS AN ADDITION REQUIREMENT.

8. OPTION A IS OBVIOUSLY MY FIRST CHOICE. OF THE OTHER TWO, I SHOULD MUCH PREFER OPTION B BECAUSE:

(1) THE ISSUE IS KEPT OUT OF THE EF ARENA; (2) IT WOULD PROVIDE MORE TIME IN WHICH TO WORK WITH THE GOIC TO OBTAIN THE NECESSARY ASSURANCES. SINCE THE LOAN IS LIKELY TO BE READY FOR EXECUTION WITHIN TWO MONTHS, OPTION C GIVES US LESS TIME TO WORK IN; AND (3) OPTION C COULD LEAD TO MISUNDERSTANDINGS WITH THE EF IF WE INTRODUCE A NEW ISSUE AT THE LAST MINUTE.

9. IF YOU AGREE WITH THIS PROPOSAL, I WOULD ASK YOU TO ATTEMPT TO OBTAIN A PROMPT DECISION FROM A.I.D. REDSO IS UNDER CONSIDERABLE PRESSURE TO DELIVER A DRAFT AGREEMENT TO THE EF AND DOUBT THAT THEY CAN HOLD OFF FOR MORE THAN ANOTHER WEEK OR TWO.
SMITH

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